The work and the Minotauro*: the constant transformations of a permanent conflict

O trabalho e o Minotauro: as constantes metamorfoses de um conflito permanente

PAULO ROBERTO WÜNSCH**
CARLOS NELSON DOS REIS***

ABSTRACT – The article discusses some aspects of the contemporary changes in society starting from an analysis of the structural crisis of capitalism at the end of the ‘1960s and beginning of the ‘1970s, which impacted the theoretical debate about the implementation of economic policies as well as the organization and operation of the production structure. Those changes resulted in the shift of the theoretical framework for the definition of economic policies from a Keynesian theoretical orientation to a neoliberal one. They also stimulated the rearrangement of the production base because of the production-related and financial costs, which reoriented the accumulation process. The article tries to show how this globalization of markets and restructuring of production had objective and subjective effects on the world of labor.

Keywords – Labor; Capitalism; Restructuring of production.

RESUMO – O presente artigo objetiva destacar alguns aspectos das transformações societárias na contemporaneidade a partir da análise da crise estrutural do capitalismo do final dos anos de 1960 e início dos anos de 1970, que impactou o debate teórico a respeito da condução de formulação de política econômica bem como da organização e gestão da estrutura produtiva. Tais transformações resultaram na mudança de referencial teórico para a formulação de política econômica que passou de uma orientação teórica keynesiana para uma de recorte teórico neoliberal. Além disso, estimulou a implantação de medidas de reformulação da base produtiva em razão de seus custos de produção e financeiros reorientando o processo de acumulação. Sendo que esta realidade de globalização dos mercados e reestruturação produtiva incide objetiva e subjetivamente no mundo do trabalho, conforme se pretende demonstrar.


* The Minotaur is an analogy based on a Greek myth. In this case it represents the combination of the social bourgeoisie human being with the capitalist mindset that uses a labyrinth-like production process where the despotic sacrifice of the salaried workers emerges. The contemporary Minotaur stands out for its ability to hide the vestiges of exploitation by the fetishisation of merchandise, by alienating producers from what they produce, by the right to have labor where working conditions are created with the objective of valuing capital, and by using institutions to coerce or to impose the capitalist logic.

The translation of this was accomplished through the support of CNPq - MCT / CNPq - MEC / CAPES No. 16/2009.

** Doctoral candidate in Social Services at PUCRS (Pontifical Catholic University of Rio Grande do Sul), member do NEPES (Deaf Studies Research and Education Center), professor at FISUL (Integrated College of the South) and UCS (Caxias do Sul University). E-mail: pvinte@terra.com.

*** Doctor of Economics at Unicamp (University of Campinas). Tenured Professor at PPGSS/FSS/PUCRS (Social Service Graduate Program/Social Service College/Pontifical Catholic University of Rio Grande do Sul). Porto Alegre – RS/Brasil. E-mail: cnelson@pucrs.br.

The crisis of capitalism at the end of the 1960’s ended an expansion cycle of capitalist accumulation that began at the end of the Second World War. This crisis included the general drop in profit rates, economic stagnation, a general rise in prices, and depletion of the production base and organized labor, all of which had been built and consolidated during the Second Industrial Revolution.

As a result of this crisis, a vigorous debate regarding the method of regulating economic activities arose between the camps favoring greater state intervention or those favoring the free reign of market forces. The result of this scenario was the preference for the theoretical framework that advocates the hegemony of the marketplace as the regulator of economic relationships. This framework was adopted by the main capitalist centers in the formulation of their economic policies. As these new economic fundamentals were applied, simultaneously a series of measures were instituted that reconverted the technical and scientific operations of the production base, resulting in the rise of societal changes.

It is within this context of drastic changes in the direction of economic policy that this article seeks to address and reflect about production restructuring, and from it examine some of its effects upon the labor world within the context of the “third wave of productive transformation.” This is because the new Toyota-style workforce organization techniques, together with technological innovation, alter the labor framework, demanding new “skills” and “abilities” for the worker to attempt to enter and remain in the labor market in the midst of the reduction of “live labor” and the expansion of a more objective control over the workforce. These transformations expand the intellectual role for the activities of part of the workforce, but keep many others performing routine and repetitive activities while maintaining perilous and temporary labor relationships, thus creating a “new workplace morphology”. This is a reality that chooses its actions in order to demand that workers become subjects of capital for their willing domination and their commitment to the company’s universe and ideas. This way, it reduces resistance behaviors by making it more difficult for labor to recognize itself as a class in their journey to become a “class unto themselves.”

Considering these aspects of reality, this article’s objective is to consider the current mutations arising due to the globalization of markets and the configuration of labor in the context of production restructuring.

Crisis and market globalization

The end of the 1960’s reaches its culmination with the end of the period referred to as the “golden years of capitalism.” Without a doubt it was a glorious age where everything worked very well according to the logic of capital reproduction. Production, circulation, and achievement are combined in an upward trajectory of accumulation for a thirty year period. This adjustment was based on the connection between the technology resulting from the Second Wave of Productive Transformation and the work organization techniques that were the hallmark of the Taylorist/Fordist school. From a theoretical point of view, the reference point that orients the formation and direction of economic policy is Keynesianism, where the State has an important role as the production agent of goods and services, including the responsibility of promoting the social welfare.

However, toward the end of the 1960’s and the beginning of the 1970’s this growth cycle comes to an end and the systems plunges into a structural crisis. The crisis occurs along with a drop in the profitability rates, economic stagnation, a general rise in prices, and the depletion of the technological tools of the Second Industrial Revolution, forming the characteristics that economic literature calls “stagflation.”
From the perspective of economic theory, this crisis has to be seen from two angles: First, a theoretical one, and secondly, one related to the structure of the production base. The first demonstrates a renewed effervescence of the academic debate between the followers of Keynesianism and neoliberalism. The core of the debate is the means of regulating economic activities. Should this regulation be done by state intervention or by the free reign of market forces? It is a historic debate that became advantageous for the neoliberals, especially as the great capitalist powers such as the United States and England began to adopt it in the formulation of their political and economic policies.

As a result of this vigorous academic debate and its political and ideological adoption, we get the second aspect: impact upon the production base. The core of the neoliberal diagnosis considers that the issue that creates and feeds the crisis is the cost of production and finance. In regards to production costs, its origin is the increase in the price of natural resources – since the current production matrix uses these resources at a high level - and the increase in labor costs that can be explained by the intense use of the Taylorist/Fordist process as well as the social benefits achieved during the “golden years.” According to the neoliberal theory, financial costs are driven by the size of the state’s productive sector, by regulation, and by social protection measures that are part of the logic of the Welfare State.

The economic policies that spread during the late 1970’s came as a result of this diagnosis, especially those used by the American government of Ronald Reagan and the British government of Margaret Thatcher. In summary, the policies are: Reverse production costs by a vigorous restructuring of production that includes cost cutting, seeking to reduce them to the minimum necessary level; introduce new technologies with the objective of a restructuring of the productive matrix, transforming it into a model of lower intensity usage of natural resources and manual labor; and install a new workforce management process that is different than the Taylorist/Fordist model, or, in other words, the flexibilization of the worker in various operational posts. This new model is referred to as the Toyoda model in economics and business literature.

As far as the role of the state is concerned, the neoliberal policy is scathing. This model preaches a type of reform where markets could operate freely without State intervention. 

[...] the planning, as any State intent of regulating the market reflects, in a certain way, the intromission of the politics on the economics; it is the imposition of any kind of dictatorship of the politics. On the other side, the market imposes an interpersonal discipline and has the guarantee of being neutral, uncontaminated with politic influences (RODRÍGUEZ, 2002, page 19).

In summary, they are in favor of a marketplace that acts as the referential locus for the decision making of all economic agents on both the supply and demand side, and they advocate the deregulation of the market. In countries like Brazil this meant the economy was open to receive foreign capital, the role of the State was reduced, and state owned companies were privatized. In fact, the real reason behind these measures is the eradication of the government deficit and control over the government debt. In regards to Social Safety-Nets it advocates a new focus for social policy, directed toward those that don’t have the minimum conditions for survival. Ultimately, it reinforces a focused meritocratic social policy and advocates the mercantilization of actions previously defined as the duty of the State, such as healthcare, education, and retirement pensions, among others.

Thus this change in the theoretical reference point for the development of economic policy, and the implementation of measures that restructure the production base, feeds large scale societal transformations. The logic of capitalist reproduction is reoriented toward a new stage of accumulation - the globalization of markets. This terminology has been greatly used and is an allusion to various events that have been developing a new definition of international relations in
various areas of social life such as the production of goods and services, labor, and finance, among others. This context becomes consolidated after the adoption of neoliberal policies that, by liberalizing the economic transactions between countries, transformed the world into a global marketplace for merchandise transactions, for the valuation of capital in its financial format, for cutting edge technology and information, and thus for labor.

In summary, these societal transformations restore the system for the continuity of its reproduction logic, on one hand; but on the other hand they end up marginalizing entire areas and accentuating the hierarchy of economics and politics between the nations belonging to the oligopoly and those considered “peripheral.” The phase of “capital globalization” begins thanks to liberalization, deregulation, and new information technologies, including microelectronics that are used as tools that allow for the intensification of this process and the “production restructuring complex.”

As a result of these changes, the recent past presents itself as a different period than the imperial age and the so-called Taylorist/Fordist period, even thought the increase in concentration and centralization of capital continues. One of its most evident manifestations is the inter-relationship between financial capital and productive capital from which a “new capitalism” emerges, now personified by a practically anonymous pension fund manager and no longer a Henry Ford. This demonstrates a preference for investments in the financial sphere, seeking short term returns to the detriment of the valuation of industrial capital (CHESNAIS, 1996).

However, based on this movement of productive capital we can understand the dimensions of the commercial exchange, the foreign investments, and the flow of monetary capital that finances the productive sector. This is because this capital commands the creation of value and wealth; therefore it is distinct from what happens in the sphere of financial circulation (CHESNAIS, 1996). Thus, the growth of world commerce must be placed in the context of transnational industrial organization, allied to the growth of the flow of intermediate products that are typical of the network-companies from where different forms of inter-corporate or international outsourcing exchange arise. But in relation to the financial sphere, there is a hypertrophy characterized by high levels of mobility and the paradox between the interests of the operators and the needs of society, because part of its valuation process is fictional, that is, it did not undergo a productive investment, providing evidence of the most fetishised format of the capitalist relation (D-D’). Also highlighted is the fact that the accumulation of monetary capital extracted from where it most adds value is increasingly being transferred to be invested in the financial realm in an attempt to expand the opportunities to obtain profit.

The “globalization of capital” has also benefited the industrial groups through the liberalization of investments and exchanges; however this did not prevent the productive sector’s reduced importance in relation to the expansion of financial capital with strong characteristics of a rentier. The commercial liberalization simultaneously attempts to set up the supply and extraction networks where the cost is lowest and engages in unfair competition with companies with lower productivity.

This however does not eliminate the search for investments in the productive process where the expansion of capital valuation demands a revolution of the technology and innovations in the organization and management of the workforce in the production process as part of the effort to obtain the maximum level of return out of it. This fact is inherent to the capitalist mode of production as Marx and Engels warned in the Communist Party Manifesto. Of course, along with the technological specifications and their respective investments in research and technology due to the globalized competitiveness, there are political determinations, especially those that refer to a
weakening of the mobilization of the working class, with the adoption of anti-union policies and the hegemony of neoliberal ideas previously mentioned.

After all, according to the neoliberals one of the causes of the crisis was in the excessive and harmful power of the labor movement, specifically the unions, that had corroded the basis of capital accumulation with pressures from their protests, raising salaries, as well as pressuring the State to increase its social expenditures, all of which negatively affected profitability rates. According to the neoliberal logic, there is room for a strong State that has the ability to break the power of the unions. Monetary stability through budgetary discipline became the supreme goal of economic policy, by restraining welfare expenses and restoring the “natural” unemployment rate. In other words, to create a reserve army of laborers to weaken the power of union mobilization, as well as provide tax reforms that create incentives for the economic agents (ANDERSON, 1995).

The “new” liberals made a huge effort to build hegemony without ceasing to advocate the use of domination when necessary. This is perfectly possible in their conception as they make a distinction between economic and political liberalism. The central idea they espouse is that the free reign of market forces would lead to a better use of the means of production for the benefit of society.

Therefore, the so called “flexible” accumulation, supported by the flexibility of the labor processes, the market, products, and consumption patterns, seeks to rebuild the value base of capital (HARVEY, 2003). In this context of vigorous transformation it is imperative to consider the labor configurations of the capitalist society because it is the very field of market globalization, including the labor market, that workers should seek means and ways to confront the Minotaur.

**Labor configuration in the context of production restructuring**

The originality of new Toyota-style workforce organization techniques lies in advocating the continuous evolution of labor rationalization from Taylorism/Fordism toward a search to increase worker participation in the capitalist logic. The control over worker subjectivity becomes necessary to reduce the resistance behaviors in search of rights in light of the global competition and the cost of new base microelectronic technology. In the high-tech or strategic sectors of the productive process, employee knowhow is a requirement of the hiring policies of qualified labor. Training is encouraged as well as making suggestions to increase participation.

The purpose of the Toyota model is to incorporate the workers’ skilled knowledge and obtain their involvement through the so called Quality Control Circles (QCC). They encourage workers to discuss their work and performance and present suggestions to improve productivity while asserting this as a necessary condition to assure competitiveness and to keep their jobs. As part of this process, the company rewards the ideas that contribute to improving production, improving the product, or reducing costs with a material benefit, as well as awarding it symbolic value like choosing a “employee of the month” displayed on a bulletin board or company newsletter. Thus: “Today, much more so than in the phase of Taylorist/Fordist hegemony, the worker is encouraged to have self-control, to self-reproach and even to punish himself when production does not achieve the desired goal […]” (ANTUNES, 2005, p. 53).

These aspects demonstrate the nonexistence of the antithesis between production and domination, because the relationships of subordination and consent mean the possibility of increased extraction of value. This is not a new process, but what distinguishes it from previous production organization systems is the emphasis given to subjectivity, the search for hegemonic conquest of capital by means of a collection of ideas that are presented as demonstrably true. The
globalization of capital was transformed into something inexorable and therefore its restrictions are considered inevitable, in order to make the collective resistance action of workers more difficult.

The contribution of neoliberal ideas must be highlighted as a means to subsume the workers to the Minotaur’s logic as they emphasize the moral preeminence of the individual in relation to the desires of any social collective, based on the idea that the most competent would be promoted and hold the higher posts in the economic and social hierarchy. The differences in the social and productive spheres are said to be based on capability and subjective qualifications such as intelligence, ability, fearlessness, and will power, encouraging a type of social Darwinism. In this sense it strengthens the ethics of the hierarchical relationships of the previous model, nurturing subservience as well as omitting the determinations of inequalities based on the economic and social structure, fetishising reality, demonstrating the mythical quality of the Minotaur.

For this reason, terms such as entrepreneurship, skills, and training are currently used as a synonym for social development, employability, and the possibility of social mobility. These are the ideas that partly justify the existence of stable workers with formal jobs and those subject to unprotected informal jobs.

The use of informal labor exists in Brazil and is historically linked to agricultural labor and, in footwear and clothing industries among others, to the use of home labor, especially from female laborers, as well as in the growing outsourcing sector, especially in civil construction and conservation projects, cleaning, and the so called “self-employed workers.”

As far as formal labor is concerned, there is a heterogeneity of activities, both skilled and unskilled. The more skilled and intellectual sector works with the more advanced technologies and therefore plays a central role in the creation of exchange value that objectively confers more power and strength to the actions of these representatives. These skilled workers are subject to a process of intense manipulation and control from the company, reducing their participation in union actions.

The rest of the workers are subject to lower turnover because the passing of time is related to the cost of labor and to the issue of “talent”, since “training” is no more a durable good and the cost of retraining is onerous. And also, younger individuals cost less and cause “fewer problems” because the older ones demonstrate dissatisfaction (SENNETT, 2006).

This scenario allows us to observe heterogeneity in the labor world. This causes greater difficulty in perceiving situational equality of collective identity and representation of interests, especially considering the fetishisation of social relationships unique to capitalism. There is a fragmentation of workers that is an obstacle to the formation of an awareness of the opposition between the interest of labor and management. Not that awareness is the sum or the average of what each individual of the class thinks, but it effects the construction of an identity. This is reflected in a type of “crisis of conscience” of workers facing the difficulty to recognize themselves as a class in their journey to be a “class unto themselves,” in their subjectivity, their conscience, their organization, and their collective action.

In summary, within this context, the manipulation of subjectivity acquires relevance and brings with it the “culture of the new capitalism” that accentuates the category of flexibility in the production process that requires agility and creativity from workers, that they be open to short term changes, that they continuously assume risks, and that they depend less and less on laws and formal procedures (SENNETT, 2005).

Emphasis is placed on the environment of uncertainties and instabilities that characterize capitalism facing global competition, deregulated global markets and therefore the relationship between labor and capital. Production flexibility is possible due to new technologies that allow for a
rapid machine reconfiguration according to the new consumer demand, as well as allowing a more objective control of labor, destroying the traditional rigid technology.

These alterations in the production and creation of wealth as a result of the production restructuring complex produce qualitative impacts among the production relationships and the increase in intellectual labor for significant productive sectors. Moreover, they focus quantitatively on the classic factory labor market with the increase of dead capital in detriment of live capital, saving on labor and causing structural unemployment in this sector, as well as increasing the production rate and productivity of labor.

From the combination of new technologies and methods of management and labor organization, productivity is increased in order to expand the ways to extract more value; intensifying the speed of work by employing “versatile, multifunctional” workers that can operate several machines simultaneously; demanding that the employees be vigilant and control and do preventative maintenance of the machines and production, thus avoiding damages.

There is a tendency toward the increase of the so called “perilous labor” (partial, subcontracted, hyphenated). This phenomenon can be seen in advanced capitalist economies where “Temporary labor makes up the largest growth segment of the workforce in the United States and Great Britain; and currently makes up 8% of the American workforce” (SENNETT, 2006, p. 50).

According to data from the World Labor Organization (WLO), approximately one billion two hundred million workers are in “perilous” work situations or unemployed. In Latin America the rate of informal labor has been as high as 44% of the total employment during the 1990’s (POCHMANN, 2004).

Moreover, WLO research about Latin America and the Caribbean from 2005 suggests that of the 48 million young people between the ages of 15 and 24 years old who work, 31 million work in perilous positions, without the benefit of social security, and 10 million are unemployed.

Child labor exploitation can be added to that. Data available for Brazil from the Demographic Census of the IBGE (Brazilian Geography and Statistics Institute) of 2000, available in the data bank of SNIG (National System of Gender Information), indicate that 12.3% of the young girls between the ages of 10 and 17 in the Northeast region are involved in rural agricultural labor. In the North region the level of female labor in agriculture for this age group was 11.3%, and in the Southeast region, 22.7%.

According to the WLO, Latin America and the Caribbean still practice slave labor. There are approximately 1.3 million people working in these salve conditions, and 250,000 of these were smuggled internally or across borders.

This information confirms that the “globalization of capital” maintained the old methods of relationships and “perilous” working conditions. However, the mutations of the production process gave rise to new forms of perilous labor in the peripheral nations and developed with subcontracted labor and the hiring of self-employed and temporary home based laborers. The female workforce is expanded, typically with lower wages, and it became an essential element of the household budget, creating a new social and sexual labor division.

This fragile globalization of work relationships expands with the growth of outsourcing between companies located in different locations throughout the world, especially in those locations where the production cost is lower, which, along with the previously mentioned factors, contributes toward the degradation of salaries and of worker’s rights as well as the flexibilization of labor contracts. This is because profitability is not only based on the production and sales of a company, but also on their outsourcing relationships and intercompany cooperation from which the term “network-companies” originates.
Currently we are undergoing the era of the “lean company,” the Toyota-like production system, whose organizational device is just-in-time/Kanban, production structures centered on networks of companies, and the outsourcing of peripheral production phases. The production decentralization is centered on the focus strategy where the company emphasizes the products that offer a competitive advantage. By outsourcing, raw material inventory and products more connected to the production process are eliminated. This happens as new technology allows the management of material flows and information. The idea behind this is production rationalization with cost cutting provided by reduction of inventory and space saving, as well as the simplification of the stream of information and the flexibilization of production and labor.

All these things have an impact by altering the concept of geographical space in a context of unequal and globalized economic development where capital moves freely. This investment freedom weighs on the employees by either relocating or threatening to relocate production to countries or regions where the means of production and the workforce cost less.

In the current context, the international division of labor increases because some countries become assemblers of industrial products while the knowhow, the technology, the financial services, and the design of the products remain in the developed nations. In these countries the oligopolies are dissociated from the internal development strategies of countries. The development of a regime of predominantly financial global accumulation made possible by floating exchange rates and deregulatory policies (financial and, paradoxically, protectionism in the developed nations) establishes unequal and asymmetrical development. The result of this is the stratification of the international economic hierarchy and the expansion of social inequalities.

Part of this process is the adoption of the just-in-time principle that allows inventories to be eliminated through the use of communication technology, allowing the mapping of inputs, of production, and of sales in real time, as well as serving a more individualized consumer market. Better production time management organization is achieved through the Kanban system of signs and passwords commands for parts and inventory replacement. These techniques reflect a “revolution in the dimension of time” since the capitalist must reduce the turnover time of his capital, unlike the Fordist period where the fixed, large scale and long-term capital investments were possible due to a stable and growing consumer market.

Currently there emerges a “new type of worker, a new type of man” that is pressured by short-term results, by the competition of the “domestic market” where the “line between competitor and colleague is not so clear,” affecting the worker’s sense of identity (SENNETT, 2006).

The reality seen here reveals mutations that have created demands for new “skills” and “abilities” for the worker that wants to enter the labor market. These transformations are connected to the “new morphology of labor” and the desire for capital to conquer the subjectivity of the laborer, since the growth of the intellectual component of his activity allows greater possibilities to accumulate surplus value. In summary, the production restructuring complex the Minotaur commands with its mutations of the production labyrinth, especially as far as the search for cooperation and employee involvement is concerned, together with the hegemony of ideas forming the neoliberal theoretical playbook, with its emphasis on the mythical individual and its qualities and attributes, impacts the collective actions of the laborers.

This can be seen in Brazil, especially in the period from 1995 until 2003. In other words, during the presidential terms of President Fernando Henrique Cardoso, when the neoliberal policies were consolidated and Brazil entered the market globalization process and the restructuring of production was increased, especially in the more dynamic sectors of the economy that were unionization’s base. While in 1995 there were 1,056 strikes and in the following year there were 1,258 strikes, in 1997 there was a reduction to 630 work stoppages, and in the last year of his terms,
2003, there were only 340 strikes. This is the level that has been maintained in recent years, even during the growth of the economy, limiting the economic achievement and the capture of new social rights, since these achievements are the result of a political battle that depends on the conscious organization in defense of these interests. The weakening of the collective resistance of the workers is evidence of the offensive tactic of the Minotaur using production restructuring in the economy through the globalization of markets and through ideas of the neoliberal theory hegemony.

Additional considerations

This article sought to shed light on the new clothing of the Minotaur and the transformations going on in the new world order and therefore in the “labor world.” The objective was to consider the collection of production transformations and some of its impact on material conditions and the subjectivity of the working class. For the former, it must be noted that never before has there been so many technological resources that increase the means to produce and provide the basic conditions of life. But at the same time the world is undergoing a contradiction where poverty and social inequality increase due to the concentration of wealth caused by the concentration of capital.

Considering this reality, the dominant classes incessantly seek to preserve their hegemony by advocating a collection of ideas presented as demonstrably true and by attempting to conquer the subjectivity, especially of the workers, in order to make collective action more difficult.

The challenge is to understand this reality, to reveal it, and to work to develop actions capable of establishing a new correlation of powers between the workers and the Minotaur. Labor must understand the process that is going on and use union action to confront the manifestations of the social issue and build a society where humanity will be the center of social policy and work can be a tool for the satisfaction of needs and goals in order to build a new hegemony. Therefore, this means resistance and working to form a collective identity that can direct action, chiefly collective action, that seeks to overcome the capitalist society.

REFERENCES

At the end of the 19th Century F. W. Taylor deepened the technical division of labor giving critical importance to the separation between conception and execution and to the detailed planning of tasks, because he hypothesizes there is an optimum production method. During the development of Scientific Management, Henry Ford created a new dimension of technical division, increasing the fragmentation of tasks associated with the conveyer belt in the production line. This is characterized by the idea of a stationary worker at his post and integrated by a mobile system that moves the materials undergoing transformation.

Keynesianism is the economic theory consolidated by English theorist John Maynard Keynes in his book *General Theory of Employment, Interest and Money* that presents a political-economic framework that opposes the liberal ideas and is based on the affirmation of the State as an indispensable agent to control the economy, with the objective of maintaining full employment.

Terminology used to describe the economic crisis of the 1970's. Basically it is a typical recession condition where economic activity decreases, and unemployment increases, as well as inflation.

“Los orígenes del pensamiento neoliberal están asociados a la controversia sobre cuatro grandes temas: el nacional socialismo, el modelo de planificación central desarrollado por la Unión Soviética, los postulados del keynesianismo y la crítica a los estados benefactores” (RODRÍGUEZ, 2002, p. 19).

The Toyota model is a generic term used in industry and services to describe a series of organizational techniques for production and labor connected to the atomization of the microelectronic base.

It is important to note that the globalization phenomenon is not a recent one. It goes back to the period of maritime navigation, but obviously with new tools that make it viable at a speed never seen previously.

For a more detailed view of this terminology see Chesnais (1996).

What we call the ‘production restructuring complex’ is a system of technological innovation and organization in the capitalist social production field – for example, robotics and microelectronic automation applied to production -; the new modes of production management […]. Moreover, it is an important component of the production restructuring complex, of the various types of production decentralization […]. Moreover, it is an important component of the production restructuring complex, of the various types of production decentralization [...].” (ALVES, 2005, p. 11).

According to Gramsci, hegemony presupposes a type of collaboration or active and voluntary consent of the subordinate classes that takes place preferably but not exclusively in the “civil society”, that is the collection of so-called “private” organizations such as unions, churches, schools, etc. This is done through a complex system of cultural control at the center of civil society – radio, television, cinema, newspapers, political parties, churches (JESUS, 1989).

Domination is the use of force, constraint, and legislative or police intervention, in other words, the coercion that is monopolized by the State and assures the conformity of the masses to a specific type of production or economy at a given time (ibid).

For them there is no contradiction between a free market economy and a dictatorial political regime. As an example, it is useful to remember Pinochet’s Chile of the 1970’s, whose dictatorship applied neoliberal economic principles that spread across Latin America like the piercing wind of the pampas.